



Memorandum

*Chuck Reed***TO:** Rules and Open Government
Committee**FROM:** Mayor Chuck Reed**SUBJECT:** City Manager Compensation**DATE:** May 15, 2007

APPROVED:**DATE:**

Recommendation:

Agendize the following for the June 5, 2007 Council meeting:

Adopt a Resolution amending the City of San Jose Pay Plan, setting the salary and approving benefits for City Manager Ms. Debra Figone as outlined in the May 14, 2007 letter from Mayor Reed (attached).

Authorize the City Clerk to execute an employment agreement between the City of San Jose and Ms. Figone for services as City Manager.

Background

The City Manager oversees and manages the day-to-day operations of the City and its 15 departments. In addition, the City Manager's Office directs the development and implementation of the City's Operating and Capital Budgets, which combined, total \$3.2 billion annually.


The City Manager selection comes after an innovative and open process in which community members and city employees were asked to share the characteristics that the new City Manager should possess. The process included extensive stakeholder input from the City Council, community leaders and organizations, employee labor representatives, City employees, and the public at large. This included:

- Five community meetings throughout San José;
- Three employee meetings;
- One-on-one meetings with the Mayor and Council;
- A meeting with the City Labor Alliance;
- Two meetings with community leaders;
- An online employee survey; and
- A community survey (published in English, Spanish and Vietnamese)

Using the data gathered through this outreach, the search consultant prepared a profile for the ideal candidate for San José City Manager, which included the skills, character and experience that the community and Council desires in its next city manager. The consultant conducted extensive outreach to identify a pool of ideal candidates.

The finalists for the position were interviewed by three panels representing San José's diverse neighborhoods, business, labor, nonprofits, faith organizations, and City employees. The Council voted in closed session on May 15, 2007 to approve the selection of Ms. Figone as City Manager.

May 14, 2007

Ms. Debra Figone


Dear Ms. Figone:

Please accept this letter as a written confirmation of our discussions regarding your appointment as City Manager and the elements of a compensation and benefit package, subject to confirmation by the Council. The major provisions of this contingent offer to you are summarized as follows:

- **Salary:** Your starting bi-weekly salary will be \$9,615.38, which is equivalent to an annual amount of \$250,000.
- **Executive Benefits:** You will receive the Executive Management (Unit 99) Benefit and Compensation Plan (see attached summary). This includes a \$350 monthly automobile allowance in accordance with current policy that may be reviewed by Council for an increase.
- **Deferred Compensation:** The City will fund a contribution equivalent to 9% of your base salary into an IRC 401 (a) defined contribution plan, an IRC 457 deferred Compensation plan or a combination of those plans subject to the requirements of IRC 401 (a) and IRC 457.
- **Severance:** The City will provide a severance pay equal to six months salary for involuntary termination of employment.
- **Separation Notice:** You agree to provide a 60 day notice to the City of a voluntary resignation of your position.
- **Travel and Professional Development:** The City will provide expenses for normal and customary travel for work-related and professional development activities as provided by budget and/or Council approval.
- **Office Equipment:** The City will provide normal and customary office equipment for mobile and/or home use, such as a laptop and fax machine.

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- **Sick Leave:** The City will reinstate your sick leave balance to the level accrued as of 12/22/01, equal to 872.9870 hours.
- **Vacation and Transitional Executive Leave:** You will accrue vacation at the 15+ years of service level (200 hours per year) level and executive leave in accordance with Executive Management (Unit 99) accrual rates. You will receive an additional 100 hours of executive leave upon employment. Please note that executive leave cannot be cashed out or carried over into calendar year 2008 under any circumstance.
- **Other Items:** The City will consider CCMF Standard City Manager Employment Agreement items such as hours of work, professional development and an annual appraisal with a professional facilitator.
- **Effective date of employment:** July 23, 2007.

I look forward to presenting you to Council for consideration and appointment. There are many challenges and opportunities ahead of us. With your experience, leadership skills and dedication to public service, I know that you will be an asset to our city. I look forward to working with you.

Sincerely,

A handwritten signature in black ink that reads "Chuck Reed". The signature is written in a cursive, flowing style.

Chuck Reed
Mayor

Attachments